STATE OF NORTH CAROLIN	OPPAR	LED.	THE GENERAL COURT OF JUSTICE
COUNTY OF ORANGE	APP	5 2014	SUPERIOR COURT DIVISION
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STATE OF NORTH CAROLINA	CLE SU	PERIOR CON	सा
ROY COOPER, ATTORNEY GE	ENERAL,)	
Plaintiff,)	
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v.	;)	
	;)	
WARE INVESTMENTS, LLC and)	PRELIMINARY INJUNCTION
JAMES WARE KELLEY, III, individually)	
and in his capacity as sole owner and)	
managing member of WARE)	
INVESTMENTS, LLC,)	
Defendants.)	
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THIS MATTER came on to be heard and was heard by the undersigned Judge presiding over the April 7, 2014 civil session of Orange County Superior Court upon plaintiff's Motion for a Preliminary Injunction under N.C. Gen. Stat. § 75-14 and Rule 65 of the Rules of Civil Procedure. Special Deputy Attorney General David N. Kirkman appeared on plaintiff's behalf and _______ appeared on behalf of defendants. Based upon the arguments of the parties, plaintiff's Motion and the affidavits and exhibits attached thereto, the transcripts of the depositions of Danielle Christina Istock, Ryland Oaks, Jones and Joanna Joy Cutrara, plaintiff's Complaint and the affidavits and exhibits attached thereto, defendant Kelley's pro se Answer, together with other matters of record in this cause, the Court hereby finds and concludes that plaintiff is likely to prevail in this action and that a Preliminary Injunction should be entered against defendants, pursuant to N.C. Gen. Stat. § 75-14, so that further violations of law and further harm to the citizens of North Carolina might be prevented.

IT IS THEREFORE ORDERED that defendants, together with each of their respective agents, employees, representatives, successors and assigns, be and hereby are Preliminarily Enjoined and prohibited under N.C. Gen. Stat. § 75-14, pending final adjudication of this cause, from requesting or receiving tenant security deposits from their North Carolina tenants.

IT IS FURTHER ORDERED that defendants and said parties are hereby Preliminarily Enjoined and prohibited from handling, processing or failing to refund the tenant security deposits of North Carolina tenants already in their possession or control except when doing so in full compliance with the North Carolina Tenant Security Deposit Act, N.C. Gen. Stat. § 42-50, et. seq. Based upon this prohibition, and without limitation, defendants shall not charge against a North Carolina residential tenant's security deposit anything but damages and losses actually suffered and only if those damages are the result of one of the actions or omissions of the tenant set forth in G.S. § 42-51 ("Permitted uses of the deposit"). Charging, debiting or assessing a charge to the security deposit of any North Carolina tenant or tenants for damage that pre-existed the tenancy, for normal wear and tear, or for allegedly inadequate notice of termination when the date of notice or absence of notice caused no financial loss, are among the actions prohibited by that statute and by this Preliminary Injunction.

IT IS FURTHER ORDERED, notwithstanding the foregoing, that defendants or their agents may request, receive and hold tenant security deposits from their North Carolina tenants if those deposits are at all times fully protected by a bond issued by an insurance company licensed by the State of North Carolina, as provided in N.C. Gen. Stat. § 42-50. All other prohibitions and requirements set forth above shall remain in full force and effect pending the final resolution of this cause. Defendants shall provide plaintiff's counsel with a copy of said bond 20 days prior to requesting or receiving security deposits from North Carolina tenants and shall ensure that

plaintiff's counsel is notified promptly of any and all claims against said bond and of any efforts to modify or cancel the bond.

SO ORDERED, this the ______ day of April, 2014.

R. Allen Baddour, Jr.

SUPERIOR COURT JUDGE